



JOINT LEGISLATIVE COMMISSION ON LAND AND WATER CONSERVATION
State Legislative Building
Raleigh, North Carolina 27603

January 24, 2007

TO THE MEMBERS OF THE 2006 GENERAL ASSEMBLY:

The Joint Legislative Commission on Land and Water Conservation submits to you for your consideration its report.

Respectfully Submitted,

Sen. Charles W. Albertson, Co-Chair

Rep. Lucy T. Allen, Co-Chair

Land and Water Conservation Study Commission
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Executive Summary of Commission Report

The Land and Water Conservation Study Commission was established to consider funding options for a major initiative for conservation of land, water, and historic resources that was proposed in HB 2827/SB 1907 during the 2006 Regular Session of the 2005 General Assembly.

Commission Charge:

- To identify and evaluate existing State funding sources for historical preservation, for acquiring public lands for various conservation purposes, and for related economic development related to land and water conservation and historic preservation.
- To collect information from other states regarding incentive-based techniques and management tools used to protect land and water resources.
- To recommend a way to address the funding needs of land and water conservation.
- To hold public meetings in three different areas of the State.

Commission Findings:

Land and water conservation, including preservation of the State's cultural heritage, benefits the State in many ways: economic growth and job creation; protection of the public health; enhancement of our citizens' quality of life; and protection of native species of flora and fauna.

A number of factors have converged in recent years to make now a key time in protecting the environment of the State for generations to come: population growth; rapid development of land; and an unusually high percentage of large tracts of land for sale.

The State-established trust funds, coupled with other conservation-oriented entities, have a strong history of serving the conservation needs of North Carolina and of coordinating with one another: Natural Heritage Trust Fund; Parks and Recreation Trust Fund; Clean Water Management Trust Fund; Agriculture Development and Farmland Preservation Trust Fund; the Wildlife Resources Commission; the Ecosystem Enhancement Program; the State Historic Preservation Office and State Historic Sites; the conservation tax credit; and the present-use value property taxation system.

There are at least seven 'best practices' related to land and water conservation and cultural and historic preservation: substantial state investment in these areas; enabling local financing; providing state incentives for projects; allowing for the purchase of development rights; supporting public-private partnerships; conservation tax credits; and partnerships with federal agencies. The State has been active in each of these areas, but the Commission

finds that the State could improve its record on land and water conservation and cultural and historic preservation by adopting some of the strategies used in other states.

Commission Recommendations:

The Commission recommends that the General Assembly provide an additional \$1 billion in funding over five years for land and water conservation, cultural and historic preservation, and related economic development needs. The Commission does not have a specific recommendation as to how the additional funds should be allocated. The Commission recommends that the additional funding be allocated among the existing trust funds and used for a variety of different programs.

The Commission recommends that the existing entities involved in land and water conservation and cultural and historic preservation continue to improve the manner in which they coordinate with one another in order to function in a more collaborative, systematic, and integrated manner so as to maximize the use of State investments. As part of this coordination, the Commission encourages the development of statewide priorities for land and water conservation and cultural and historic preservation and enhanced data collection efforts regarding conservation and preservation needs and efforts.

The Commission recommends a balanced financing approach based on debt financing and dedicated sources of tax or fee revenue. The Commission does not have a recommendation as to the specific mix of additional funding sources for conservation efforts. However, it has identified a number of possible revenue sources for consideration: broad-based tax options; development-based tax options; and tourism-based tax options.

The Commission recommends that both chambers of the General Assembly establish a committee at the start of the 2007 Regular Session to address the State's infrastructure needs including conservation, water and sewer, public schools, transportation, State government facilities, and affordable housing.

The Commission recommends that the General Assembly study further the idea of land mitigation requirements and any authorizing legislation needed to authorize voluntary or mandatory mitigation banking.

The Commission finds that encouraging local government participation in land and water conservation and cultural and historic preservation is a necessary part of any reform to the State's current conservation and preservation efforts. The Commission recommends that the General Assembly consider proposals that would provide additional funding options at the local level for conservation purposes. In addition, the Commission recommends that the General Assembly evaluate the means by which it encourages local participation with projects funded by the four major conservation trust funds with the goal of encouraging greater local participation.

The Commission recommends that the General Assembly consider an enhancement of the tax credits for real property donations for conservation purposes.

The Commission recommends that the General Assembly consider establishing a tax incentive to encourage people to manage lands for conservation. The incentive could take the form of a property tax deferral or an income tax credit.

The Commission recommends that the General Assembly further study the potential effect of time-limited conservation agreements on the State's conservation and preservation efforts.

The Commission recommends that the General Assembly study alternative allocations of State funds to ensure that the State fully leverages available federal funds.

COMMITTEE PROCEEDINGS

The Joint Legislative Commission on Land and Water Conservation met five times and held three public hearings in Asheville, Greensboro, and Greenville after the adjournment of the 2006 Regular Session of the 2005 General Assembly on July 28, 2006. The Commission was established to consider funding options for a major initiative for conservation of land, water, and historic resources that was proposed in HB 2827/SB 1907 during the 2006 Regular Session of the 2005 General Assembly. The Commission was charged with identifying and evaluating existing State funding sources for historical preservation, for acquiring public lands for various conservation purposes, and for related economic development. In addition, the Commission was charged with collecting information from North Carolina and other states and jurisdictions regarding incentive-based techniques and management tools used to protect land and water resources.

LAND AND WATER CONSERVATION NEEDS

The State's land and water conservation needs, including preservation of the State's cultural heritage, have been well established. Land and water conservation and cultural and historic preservation are important for many reasons. In addition to the benefits of maintaining some of the world's most beautiful natural areas, conservation of our natural cultural resources will lead to benefits such as economic growth and job creation, protection of the public health, enhancement of our citizens' quality of life, and the protection of native species of flora and fauna.